

Senate File 58 - Introduced

SENATE FILE _____
BY BOLKCOM, BLACK, QUIRMBACH,
STEWART, RAGAN, BEALL, SCHMITZ,
SCHOENJAHN, DOTZLER, DVORSKY,
WILHELM, HOGG, HORN, OLIVE,
DANDEKAR, DEARDEN, FRAISE,
APPEL, COURTNEY, GRONSTAL,
KIBBIE, JOCHUM, SENG, DANIELSON,
KREIMAN, MCCOY, and HATCH

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for standardized requirements and a consumer
2 guide for long-term care insurance policies and providing an
3 applicability date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1130XS 83
6 av/nh/l4

PAG LIN

1 1 Section 1. Section 514G.105, Code 2009, is amended by
1 2 adding the following new subsections:
1 3 NEW SUBSECTION. 5A. STANDARD PROVISIONS.
1 4 a. The commissioner shall adopt rules establishing
1 5 standard provisions for terms and benefits required to be
1 6 included in a long-term care insurance policy advertised,
1 7 marketed, offered, delivered, or issued for delivery in this
1 8 state. The rules shall establish a standard format for such
1 9 long-term care insurance policies to facilitate ease of
1 10 comparison of the various policies by consumers.
1 11 b. The commissioner shall review each policy of long-term
1 12 care insurance prior to the policy being advertised, marketed,
1 13 offered, delivered, or issued for delivery in this state to
1 14 ensure that the policy complies with the requirements of this
1 15 subsection and rules adopted pursuant to this subsection.
1 16 NEW SUBSECTION. 7A. CONSUMER GUIDE.
1 17 a. A consumer guide, as prescribed by the commissioner by
1 18 rule, shall be delivered to a prospective applicant for
1 19 long-term care insurance at the time of the initial
1 20 solicitation for coverage.
1 21 (1) In the case of producer solicitations, a producer
1 22 shall deliver the consumer guide to a prospective applicant
1 23 prior to the presentation of an application or enrollment
1 24 form.
1 25 (2) In the case of direct response solicitations, the
1 26 consumer guide shall be presented in conjunction with any
1 27 application or enrollment form.
1 28 (3) In the case of a policy issued to a group as described
1 29 in section 514G.103, subsection 9, paragraph "a", a consumer
1 30 guide is not required to be delivered to the applicant,
1 31 provided that the information described in paragraph "b" of
1 32 this subsection is contained in other enrollment materials
1 33 provided. Upon request such other enrollment materials shall
1 34 be made available to the commissioner.
1 35 b. The consumer guide shall include a description of the
2 1 standard terms, benefits, and format required for a long-term
2 2 care insurance policy in this state. The commissioner of
2 3 insurance may by reference adopt or permit the use of the
2 4 long-term care insurance consumer guide developed by the
2 5 national association of insurance commissioners, the blue
2 6 cross and blue shield association, or the health insurance
2 7 association of America, provided that the consumer guide that
2 8 is adopted or permitted to be used by reference meets all of
2 9 the requirements of this subsection.
2 10 Sec. 2. APPLICABILITY. This Act applies to long-term care

2 11 insurance policies advertised, marketed, offered, delivered,
2 12 or issued for delivery in this state on or after July 1, 2009.

2 13 EXPLANATION

2 14 This bill requires the commissioner of insurance to adopt
2 15 rules establishing standard provisions for terms and benefits
2 16 required to be included in a long-term care insurance policy
2 17 advertised, marketed, offered, delivered, or issued for
2 18 delivery in this state. The rules must establish a standard
2 19 format for such policies so that consumers can easily compare
2 20 the various policies offered. The commissioner is required to
2 21 review each policy of long-term care insurance to ensure that
2 22 the policy complies with these requirements.

2 23 The bill also requires the commissioner to adopt rules
2 24 concerning a consumer guide to be delivered to prospective
2 25 applicants for long-term care insurance at the time of
2 26 solicitation, application, or enrollment. The guide must
2 27 include a description of the required standard terms,
2 28 benefits, and format in long-term care insurance policies in
2 29 this state. The commissioner may by reference adopt or permit
2 30 the use of a consumer guide developed by the national
2 31 association of insurance commissioners, the blue cross and
2 32 blue shield association, or the health insurance association
2 33 of America, so long as the guide meets all the requirements of
2 34 the bill.

2 35 The bill is applicable to long-term care insurance policies
3 1 advertised, marketed, offered, delivered, or issued for
3 2 delivery in this state on or after July 1, 2009.

3 3 LSB 1130XS 83

3 4 av/nh/14